

ASSEMBLY BILL

No. 1217

Introduced by Assembly Member Leno

February 21, 2003

An act to amend Sections 7060 and 7060.1 of the Government Code, relating rental property.

LEGISLATIVE COUNSEL'S DIGEST

AB 1217, as introduced, Leno. Rental property: residential hotels.

Under the Ellis Act, public entities generally are prohibited from adopting any statute, ordinance, or regulation, or taking any administrative action, to compel the owner of residential real property to offer or to continue to offer accommodations in the property for rent or lease. The act defines accommodations subject to the act to mean either residential rental units in any detached physical structure containing 4 or more residential rental units or, with respect to a detached physical structure containing 3 or fewer residential rental units, the residential rental units in that structure and in any other structure located on the same parcel of land. The act provides that it does not diminish or enhance any power in any public entity to mitigate any adverse impact on persons displaced by reason of the withdrawal from rent or lease of any accommodations in any defined residential hotel.

This bill would exempt guestrooms or efficiency units within a residential hotel, as defined, from the above described prohibition and delete the provision that the act does not diminish or enhance any power in any public entity to mitigate any adverse impact on persons displaced by reason of the withdrawal of accommodations in a residential hotel.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 7060 of the Government Code is amended to read:

7060. (a) No public entity, as defined in Section 811.2, shall, by statute, ordinance, or regulation, or by administrative action implementing any statute, ordinance or regulation, compel the owner of any residential real property to offer, or to continue to offer, accommodations in the property for rent or lease, *except for guestrooms or efficiency units within a residential hotel, as defined in Section 50519 of the Health and Safety Code.*

(b) For the purposes of this chapter, the following definitions apply:

(1) “Accommodations” means either of the following:

(A) The residential rental units in any detached physical structure containing four or more residential rental units.

(B) With respect to a detached physical structure containing three or fewer residential rental units, the residential rental units in that structure and in any other structure located on the same parcel of land, including any detached physical structure specified in subparagraph (A).

(2) “Disabled” means a person with a disability, as defined in Section 12955.3 of the Government Code.

SEC. 2. Section 7060.1 of the Government Code is amended to read:

7060.1. Notwithstanding Section 7060, nothing in this chapter does any of the following:

(a) Prevents a public entity from enforcing any contract or agreement by which an owner of residential real property has agreed to offer the accommodations for rent or lease in consideration for a direct financial contribution or, with respect to written contracts or agreements entered into prior to July 1, 1986, for any consideration. Any contract or agreement specified in this subdivision is not enforceable against a person who acquires title to the accommodations as a bona fide purchaser for value (or successors in interest thereof), unless (1) the purchaser at the time of acquiring title to the accommodations has actual knowledge of the contract or agreement, or (2) a written memorandum of the contract or agreement which specifically describes the terms thereof and the affected real property, and which identifies the

owner of the property, has been recorded with the county recorder prior to July 1, 1986, or not less than 30 days prior to transfer of title to the property to the purchaser. The county recorder shall index such a written memorandum in the grantor-grantee index.

As used in this subdivision, “direct financial contribution” includes contributions specified in Section 65916 and any form of interest rate subsidy or tax abatement provided to facilitate the acquisition or development of real property.

(b) Diminishes or enhances, except as specifically provided in Section 7060.2, any power which currently exists or which may hereafter exist in any public entity to grant or deny any entitlement to the use of real property, including, but not limited to, planning, zoning, and subdivision map approvals.

~~(c) (1) Diminishes or enhances any power which currently exists or which may hereafter exist in any public entity to mitigate any adverse impact on persons displaced by reason of the withdrawal from rent or lease of any accommodations in any residential hotel, as defined by Section 50519 of the Health and Safety Code, which is expressly reserved, or generally used, for occupancy by lower income households, as defined by Section 50079.5 of the Health and Safety Code.~~

~~(2) The reference to residential hotels in paragraph (1) is not intended by the Legislature to diminish or enhance any power which currently exists or which may hereafter exist in any public entity to require those same actions for other types of accommodations.~~

~~(d) Supersedes any provision of Chapter 16 (commencing with Section 7260) of this division, Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of this code, Chapter 5 (commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code, Part 2 (commencing with Section 43) of Division 1 of the Civil Code, Title 5 (commencing with Section 1925) of Part 4 of Division 3 of the Civil Code, Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure, or Division 24 (commencing with Section 33000) of the Health and Safety Code.~~

~~(e)~~

- 1 (*d*) Relieves any party to a lease or rental agreement of the duty
- 2 to perform any obligation under that lease or rental agreement.

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